

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

THE FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 05-35

Respondent: Theodore E. Poe, Jr.

Date: August 23, 2005

Information Request D.T.E. 1-1

- Q. Please explain in detail how this proposal is consistent with the Company's most recently approved Forecast and Supply Plan. Refer the Department to the relevant pages of the Company's filing and/or relevant pages of the Department's decision. State whether this proposal is expected to be consistent with the Forecast and Supply Plan the Company anticipates filing in Fall 2005.
- A. Please refer to the pre-filed testimony of Theodore E. Poe, Jr., Exhibit TEP-1, at pp 4-8. As discussed therein, the Company's most recently approved Forecast and Supply Plan, KeySpan Energy Delivery New England, D.T.E. 01-105 (2003), covered the period 2001/02 through 2005/06. The ConneXion project's anticipated in-service date is not until November 1, 2007. However, with this filing, the Company presented an updated forecast as Exhibit TEP-2 covering the period from 2004/05 through 2008/09. This forecast was prepared using the same methodology as presented in D.T.E. 01-105. (See also, the Company's response to AG 1-8). Exhibit TEP-2 clearly demonstrates a need for the incremental volumes available from the ConneXion project.

Moreover, in the Company's filing in D.T.E. 01-105 at pp 115-118, the Company indicated that until the Department makes a determination that the upstream capacity market is sufficiently competitive to warrant a modification of its obligation to procure and plan for the needs of its customers, that KeySpan would protect its rights to needed resources by entering contracts for extended time periods to maintain flexibility, diversity and reliability consistent with least-cost principles while balancing the circumstances of the evolving marketplace. Subsequent to its order in DTE 01-105, in Gas Unbundling, D.T.E. 04-1 at pp. 26; 52-53 (2005), the Department concluded that the upstream capacity market for New England is not yet workably competitive and directed LDCs to continue to plan for and procure upstream pipeline capacity to serve firm customers. The Company expects that its proposal will be consistent with its fall 2005 Forecast and Supply Plan filing to the Department.